

Message Text

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70

ACTION ARA-17

INFO OCT-01 EUR-25 ADP-00 CIAE-00 DODE-00 PM-09 H-02

INR-09 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-14

USIA-12 COME-00 EB-11 LAB-06 SIL-01 TRSE-00 AID-20

RSR-01 /146 W

----- 012932

R 091516 Z MAR 73

FM AMCONSUL NASSAU

TO SECSTATE WASHDC 4082

INFO AMEMBASSY LONDON

CINCLANT NORVA

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CINCLANT FOR POLAD

E. O. 11652: N/A

TAGS: PINS, PINT, ELAB, EFIN, BF

SUBJ: RECENT DEVELOPMENTS

REF: NASSAU A-51

1. FNM DROPS ABACO ELECTION PETITION. THE FNM ANNOUNCED ON MARCH 3 THAT IT WOULD NOT PROCEED WITH THE ELECTION COURT HEARING OF THE COOPER' S TOWN (ABACO) ELECTION CONTROVERSY. MR. BERT WILLIAMS, THE PETITIONER ACTING ON BEHALF OF CAPTAIN LEONARD M. THOMPSON, CONFIRMED THAT HE HAD WITHDRAWN HIS PETITION DUE TO LACK OF INTEREST ON THOMPSON' S PART. SUBSEQUENT TO THE FILING OF THE PETITION, THOMPSON HAD RESIGNED FROM THE FNM IN PROTEST AGAINST THE PARTY' S FAILURE TO SUPPORT THE ABACO SECESSION MOVEMENT.

2. HOTEL WORKERS SEEK COST OF LIVING RAISE. THE HOTEL AND CATERING WORKERS UNION HAS ASKED FOR A 5.8 PERCENT WAGE RISE TO MATCH THE 1972 COST OF LIVING INCREASE. THE DEMAND HAS BEEN REJECTED BY THE BAHAMAS HOTEL EMPLOYERS ASSOCIATION . A TWO- YEAR CONTRACT WAS SIGNED BETWEEN THE ASSOCIATION AND THE UNION IN JANUARY 1972, AND THE ASSOCIATION SAYS IT CANNOT BE LIMITED OFFICIAL USE

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AMENDED. WHEN THE PRIME MINISTER ANNOUNCED THE DEVALUATION OF THE BAHAMIAN DOLLAR IN FEBRUARY, HE CALLED FOR A WAGE AND PRICE FREEZE. HE SUBSEQUENTLY ANNOUNCED THAT HE WILL BE MEETING WITH UNION LEADERS SHORTLY. HIS AIM PROBABLY IS TO ENLIST THEIR COOPERATION IN HOLDING THE LINE ON WAGES.

3. MONETARY DEVELOPMENTS. AT THE MEETING WITH LOCAL BANKS HELD TO ANNOUNCE THE DEVALUATION OF THE BAHAMIAN DOLLAR, THE BAHAMAS MONETARY AUTHORITY ASKED THE BANKS TO "ENCOURAGE" TOURISTS CASHING US DOLLAR INSTRUMENTS TO ACCEPT BAHAMIAN DOLLARS. BAHAMIANS, OF COURSE, MUST ACCEPT BAHAMIAN DOLLARS IN EXCHANGE FOR US OR OTHER FOREIGN CURRENCY CHECKS. "ENCOURAGE" IS BEING INTERPRETED DIFFERENTLY BY DIFFERENT BANKS. THE FIRST NATIONAL CITY BANK IS INSISTING TOURISTS TAKE BAHAMIAN DOLLARS, WHILE AT THE CHASE MANHATTAN BANK ALL A TOURIST HAS TO DO IS SAY HE WOULD PREFER US DOLLARS AND HE GETS THEM.

THE DEVALUATION GENERALLY HAS BEEN WELCOMED BY THE LOCAL BUSINESS COMMUNITY WHO EXPECT THE INCREASED TOURIST SPENDING AND RESULTANT EXPANSION OF THE TOURIST INDUSTRY TO MORE THAN OFFSET ANY INITIAL LOSSES FROM DEVALUATION.

BAHAMIAN BANKS HAVE FOLLOWED THE EUROPEAN EXCHANGES THIS WEEK AND ARE NOT BUYING OR SELLING FOREIGN EXCHANGE. HOWEVER, TOURISTS AND CUSTOMERS ARE BEING ACCOMMODATED WITH LIMITED AMOUNTS.

4. POLICE ACTIVITIES.

A. ON FEBRUARY 24 THE PRIME MINISTER DEDICATED THE NEW DOLS 900,000 POLICE COLLEGE. THE FACILITIES CAN ACCOMMODATE UP TO 104 STUDENTS, RECRUITS OR OFFICERS ON REFRESHER COURSES. AT THE CEREMONIES, THE PM PAID GENEROUS TRIBUTE TO COOPERATION FROM U. S. ENFORCEMENT AGENCIES AND EXPRESSED THE HOPE "WITH LUCK" TO DOUBLE THE PRESENT SIZE OF THE MARINE DIVISION DURING THE NEXT THREE YEARS AND TO CREATE AN AIR WING. (THE POLICE PRESENTLY CARRY OUT REGULAR AIR PATROLS USING CHARTERED AIRCRAFT FUNDED BY THE U. K.) ALSO, THE FORCE WILL BE EXPANDED TO 1,400 MEN AND THE POLICE RESERVE WILL BE REACTIVATED.

B. THE MARCH 1 PAPERS CARRIED ARTICLES REPORTING DETAILS OF AN ANTICIPATED RESHUFFLE OF TOP POSITIONS IN THE POLICE FOLLOWING INDEPENDENCE. THESE CHANGES WERE DESCRIBED AS BEING

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LOWING INDEPENDENCE. THESE CHANGES WERE DESCRIBED AS BEING

IN LINE WITH " STRONGER EMPHASIS ON NATIONALISM AND BAHAMIANI-
ZATION". POLICE SOURCES REPORT THAT THE STORIES DID NOT
EMANATE FROM OFFICIAL SOURCES AND DESCRIBE THEM AS " STRAWS IN
THE WIND."
SPEAR

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